

THE OFFICE OF REGULATORY STAFF
TESTIMONY AND EXHIBITS
OF
ROBERT A. LAWYER
AUGUST 13, 2009



DOCKET NO. 2009-3-E

ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS
DUKE ENERGY CAROLINAS, LLC

TESTIMONY OF

ROBERT A. LAWYER

ON BEHALF OF

THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF

DOCKET NO. 2009-3-E

IN RE: ANNUAL REVIEW OF BASE RATES FOR FUEL COSTS OF

DUKE ENERGY CAROLINAS, LLC

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
OCCUPATION.**

A. My name is Robert A. Lawyer. My business address is 1401 Main Street,
Suite 900, Columbia, South Carolina, 29201. I am employed by the South
Carolina Office of Regulatory Staff ("ORS") in the Audit Department as an
Auditor.

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE.**

A. I received a B.S. Degree in Financial Management, with a concentration in
Corporate Finance, from Clemson University in May 1994. Prior to joining ORS,
I held a variety of positions in finance, accounting, auditing, and management. I
began my employment as an auditor with ORS in April 2007 and have
participated in various cases involving the regulation of electric and water
utilities.

1 ORS's analysis of the Fuel Stock Account consisted of verifying receipts and
2 issues from the fuel management system to the general ledger, examining
3 monthly fuel charges originating in fuel accounting, and ensuring that only
4 proper charges were entered in the Company's computation of fuel costs for
5 purposes of adjusting base rates for fuel costs.

6 2. Sampling Receipts to the Fuel Stock Account- Account #151

7 ORS's review of receipts to the Fuel Stock Account consisted of examining
8 and testing selected transactions which support additions to the account. Each
9 transaction examined was tested for mathematical accuracy and vouched to a
10 corresponding waybill or truck bill, supplier invoice, and freight invoice. Each
11 transaction was then verified by a corresponding fuel management system
12 payment voucher to prove payment of the correct amount to the vendors.

13 3. Verifying Charges to Nuclear Fuel Expense- Account #518

14 ORS verified the expense amounts for nuclear fuel to the books and records
15 for the actual review period to confirm the accuracy of these expenses to fuel
16 amortization schedules.

17 4. Verifying Purchased and Interchange Power Fuel Costs

18 ORS verified the Company's Purchased and Interchange Power Fuel Costs,
19 kilowatt-hour ("kWh") purchases and sales for the actual review period to
20 "Intersystem Purchase and Sales Transaction" reports, Purchases, Sales and
21 Interchange Power schedules, and on a sample basis, to monthly invoices.
22 ORS recomputed the Company's sales and purchases.

3

1 **A.** ORS prepared audit exhibits from the Company's books and records, and
2 other sources, reflecting fuel costs during the review period. Specifically, these
3 exhibits include the following:

4 **AUDIT EXHIBIT RAL-1: COAL COST STATISTICS**

5 In Audit Exhibit RAL-1, titled Coal Cost Statistics, ORS listed spot and contract
6 coal received, separately and combined, for the actual review period. The
7 comparison is made in the following five (5) areas:

8 (1) Tons Received

9 (2) Percentage of Total Tons Received

10 (3) Total Received Cost

11 (4) Received Cost Per Ton

12 (5) Cost Per MBTU

13 Adjustments that were not specific to spot or contract coal but were included in
14 the combined coal costs' total are also shown on this exhibit.

15 ORS has taken the combined total received cost for the twelve (12) months and
16 divided this by the combined total tons for the twelve (12) months to arrive at a
17 Weighted Average Cost per ton for the actual review period.

18 **AUDIT EXHIBIT RAL-2: RECEIVED COAL – COST PER TON**
19 **COMPARISON**

20 This audit exhibit reflects the received cost per ton for coal for each month from
21 June 2008 through May 2009 for DEC, Progress Energy Carolinas, and South
22 Carolina Electric & Gas Company. For comparison purposes, ORS has shown the

1 detailed breakdown of coal, oil, gas and nuclear fuel can be seen in Audit Exhibit
2 RAL-4.

3 Purchased and Interchange Power Fuel Cost--- This amount is the monthly cost of
4 DEC's kWh purchases from other electric utilities or power marketers.

5 Fuel Cost Recovered from Intersystem Sales--- This amount is the fuel related
6 cost of kWhs sold during the period to another electric utility and/or power
7 marketer. Total fuel cost applicable to the base fuel component factor is computed
8 by adding the cost of fuel burned to purchased and interchange power fuel costs.

9 This amount is then reduced by fuel associated with intersystem sales.

10 **AUDIT EXHIBIT RAL-6: S.C. RETAIL COMPARISON OF FUEL**
11 **REVENUES & EXPENSES**

12 Shown in this audit exhibit are the actual fuel cost computations for June 2008
13 through May 2009 and DEC's estimate of fuel costs for June, July, August and
14 September 2009. The exhibit also shows the computation of the cumulative over
15 (under)-recovery balances and the S.C. portion of the Purchased Power expenses
16 for June 2008 through May 2009.

17 **AUDIT EXHIBIT RAL-7: TOTAL ENVIRONMENTAL COSTS**

18 Shown in this audit exhibit are the total environmental costs from June 2008
19 through May 2009 for sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emission
20 allowances, limestone, ammonia, urea, and dibasic acid.

21 **AUDIT EXHIBIT RAL-8: DETAILS OF ENVIRONMENTAL COSTS**

22 Shown in this audit exhibit is the actual fuel cost computation for June 2008
23 through May 2009 for sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emission

THE OFFICE OF REGULATORY STAFF
1401 Main Street, Suite 900
Columbia, SC 29201

1 **Q. PLEASE ELABORATE ON ORS AUDIT STAFF'S COMPUTATION OF**
2 **THE TRUE-UP OF OVER (UNDER)-RECOVERED FUEL COSTS.**

3 **A.**ORS Audit Exhibit RAL-6, entitled "S.C. Retail Comparison of Fuel Revenues &
4 Expenses" provides details of ORS's calculation of the actual cumulative over-
5 recovery balance through May 2009, and the estimated balance through
6 September 2009. The cumulative over-recovery amount totaled \$44,315,294
7 through May 2009. ORS then added DEC's estimated over-recovery of
8 \$1,886,849 for June 2009, their estimated over-recovery of \$1,026,516 for July
9 2009, their estimated (under)-recovery of (\$615,336) for August 2009, and their
10 estimated (under)-recovery of (\$5,673,157) for September 2009 to arrive at a
11 cumulative over-recovery of \$40,940,166 through September 2009. The
12 Company's pre-filed testimony (McManeus Exhibit 5) in this docket lists the
13 cumulative over-recovery total through May 2009 as \$41,507,000 and through
14 September 2009, the over-recovery totals \$38,133,000. The difference between
15 the Company's and ORS's cumulative over-recovery as of actual May 2009 is
16 \$2,808,294. This difference is based mainly on the cumulative beginning
17 differences as of May 2008 between ORS and DEC.

18 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS OR TRUE-UPS**
19 **DURING THE ACTUAL REVIEW PERIOD FOR THE BASE FUEL**
20 **COMPONENT?**

21 **A.**Yes. The Company made the following adjustment reflected in Item (3) on Audit
22 Exhibit RAL-6:

1 September 2009. The Company's pre-filed testimony (McManeus Exhibit 7) in
2 this docket lists the cumulative environmental cost over-recovery total through
3 May 2009 as \$3,519,000 and through September 2009 as \$4,087,000. The
4 difference between the Company's and ORS's cumulative over-recovery as of
5 actual May 2009 totals \$4,214. The majority of this difference is based on the
6 Company reflecting incorrect figures on McManeus Exhibit 7--Line #12, "S.C.
7 Environmental Costs Billed" for January through May 2009. It should be noted
8 that the figures were reflected correctly in DEC's books and records.

9 **Q. WHAT IS ORS'S COMBINED TOTAL CUMULATIVE RECOVERIES OF**
10 **THE BASE FUEL COST AND ENVIRONMENTAL COST**
11 **COMPONENTS AS OF ACTUAL MAY 2009 AND AS OF ESTIMATED**
12 **SEPTEMBER 2009?**

13 **A.** As of May 2009, based on a Base Fuel Cost component cumulative over-
14 recovery balance of \$44,315,294 and an Environmental Cost component
15 cumulative over-recovery balance of \$3,514,786, the combined result totals
16 \$47,830,080. As of September 2009, based on a Base Fuel Cost component
17 cumulative over-recovery balance of \$40,940,166 and an Environmental Cost
18 component cumulative over-recovery balance of \$4,082,821 the combined result
19 totals \$45,022,987.

20 **Q. WHAT IS THE RESULT OF THE ORS AUDIT DEPARTMENT'S**
21 **EXAMINATION?**

22 **A.** Based on ORS Audit Staff's examination of the Company's books and
23 records, and its operation of the fuel cost recovery mechanism, the ORS Audit

1 Department is of the opinion that, subject to the errors discussed concerning the
2 Company's exhibits (McManeus Exhibit 5 and Exhibit 7), the Company's books
3 and records accurately reflect the fuel costs incurred by the Company in
4 accordance with previous Commission orders and with S.C. Code Ann. §58-27-
5 865 (Supp. 2008).

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A.** Yes, it does.

Duke Energy Carolinas, LLC
Coal Cost Statistics
June 2008 - May 2009
Docket No. 2009-3-E

Spot					
<u>Month</u>	<u>Tons Received</u>	<u>Percentage of Total Tons Received</u>	<u>Total Received Cost</u>	<u>Received Cost Per Ton</u>	<u>Cost Per MBTU</u>
	Tons	%	\$	\$	\$
Jun-08	214,351	15.61%	22,320,320	104.13	4.3284
Jul-08	208,117	16.90%	23,995,929	115.30	4.7659
Aug-08	422,470	24.75%	60,258,544	142.63	5.8755
Sep-08	302,504	21.08%	42,690,959	141.13	5.8095
Oct-08	441,372	25.69%	66,393,957	150.43	6.1201
Nov-08	303,929	21.97%	42,718,140	140.55	5.8193
Dec-08	338,771	24.18%	49,312,300	145.56	5.9206
Jan-09	140,298	9.14%	18,595,031	132.54	5.4227
Feb-09	56,328	3.97%	4,924,022	87.42	3.4951
Mar-09	23,387	1.65%	2,295,222	98.14	3.8051
Apr-09	0	0.00%	21,138	0.00	0.0000
May-09	0	0.00%	0	0.00	0.0000
Totals (6/08- 5/09)	<u>2,451,527</u>		<u>333,525,562</u>		

Duke Energy Carolinas, LLC
Coal Cost Statistics
June 2008 - May 2009
Docket No. 2009-3-E

Combined							
<u>Month</u>	<u>Tons Received</u>	<u>Percentage of Total Tons Received</u>	<u>Total Received Cost</u>	<u>Adjustments</u>	<u>Adjusted Total Received Cost</u>	<u>Received Cost Per Ton</u>	<u>Cost Per MBTU</u>
	Tons	%	\$	\$	\$	\$	\$
Jun-08	1,373,086	100.00%	98,456,299	11,001,374	109,457,673	79.72	3.2715
Jul-08	1,231,698	100.00%	93,195,132	5,908,178	99,103,310	80.46	3.3169
Aug-08	1,707,218	100.00%	145,921,010	271,414	146,192,424	85.63	3.5359
Sep-08	1,435,367	100.00%	117,381,236	7,653,600	125,034,836	87.11	3.6001
Oct-08	1,718,084	100.00%	151,136,612	8,663,582	159,800,194	93.01	3.8009
Nov-08	1,383,394	100.00%	114,020,529	6,719,295	120,739,824	87.28	3.6063
Dec-08	1,400,950	100.00%	119,055,986	11,657,140	130,713,126	93.30	3.8423
Jan-09	1,534,595	100.00%	130,136,464	4,717,046	134,853,510	87.88	3.6039
Feb-09	1,418,911	100.00%	120,604,198	3,510,009	124,114,207	87.47	3.5516
Mar-09	1,414,301	100.00%	121,324,965	6,021,247	127,346,212	90.04	3.6666
Apr-09	1,532,602	100.00%	131,999,841	2,734,885	134,734,726	87.91	3.5594
May-09	1,182,098	100.00%	104,039,718	2,434,642	106,474,360	90.07	3.6611
Totals (6/08- 5/09)	<u>17,332,304</u>		<u>1,447,271,990</u>	<u>71,292,412</u>	<u>1,518,564,402</u>		

<u>Total Received Cost</u>	=	\$	<u>1,518,564,402</u>	=	\$	<u>87.61</u>
<u>Total Tons Received</u>			<u>17,332,304</u>			

Duke Energy Carolinas, LLC
Received Coal - Cost Per Ton Comparison
June 2008 - May 2009
Docket No. 2009-3-E

<u>Duke Energy Carolinas, LLC</u>				
<u>Month</u>	<u>Invoice Cost</u> <u>Per Ton</u>	<u>Freight Cost</u> <u>Per Ton</u>	<u>Total Cost</u> <u>Per Ton</u>	<u>Cost</u> <u>Per MBTU</u>
	\$	\$	\$	\$
Jun-08	51.34	28.38	79.72	3.2715
Jul-08	55.02	25.44	80.46	3.3169
Aug-08	65.20	20.43	85.63	3.5359
Sep-08	61.27	25.84	87.11	3.6001
Oct-08	67.67	25.34	93.01	3.8009
Nov-08	61.13	26.15	87.28	3.6063
Dec-08	63.81	29.49	93.30	3.8423
Jan-09	65.16	22.72	87.88	3.6039
Feb-09	65.27	22.20	87.47	3.5516
Mar-09	67.52	22.52	90.04	3.6666
Apr-09	68.00	19.91	87.91	3.5594
May-09	70.29	19.78	90.07	3.6611

Duke Energy Carolinas, LLC
Received Coal - Cost Per Ton Comparison
June 2008 - May 2009
Docket No. 2009-3-E

South Carolina Electric & Gas Company

<u>Month</u>	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost</u>	<u>Cost</u>
	<u>Per Ton</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Per MBTU</u>
	\$	\$	\$	\$
Jun-08	61.30	15.88	77.18	3.0700
Jul-08	89.42	15.22	104.64	4.1900
Aug-08	84.25	17.20	101.45	4.0400
Sep-08	80.28	15.67	95.95	3.8300
Oct-08	82.46	17.87	100.33	3.9800
Nov-08	94.17	13.48	107.65	4.3000
Dec-08	84.45	16.60	101.05	3.9900
Jan-09	77.10	29.94	107.04	4.2400
Feb-09	75.38	29.96	105.34	4.1800
Mar-09	78.09	27.40	105.49	4.1800
Apr-09	82.30	27.36	109.66	4.3600
May-09	84.36	26.04	110.40	4.3800

Duke Energy Carolinas, LLC
Detail of Nuclear Cost
June 2008 - May 2009
Docket No. 2009-3-E

<u>Month</u>	<u>Burn-up Cost</u>	<u>Disposal Cost</u>	<u>Total Nuclear Cost</u>
	\$	\$	\$
	12,185,741	3,262,083	15,447,824
	13,173,873	3,551,626	16,725,499
	13,293,660	3,533,412	16,827,072
	12,127,859	3,062,899	15,190,758
	10,587,859	2,758,959	13,346,818
	10,101,902	2,611,325	12,713,227
	13,604,978	3,486,571	17,091,549
	14,704,084	3,755,792	18,459,876
	13,244,518	3,394,826	16,639,344
	14,347,340	3,622,213	17,969,553
	14,559,133	3,404,680	17,963,813
	11,806,692	3,245,398	15,052,090
	<u>153,737,639</u>	<u>39,689,784</u>	<u>193,427,423</u>

Duke Energy Carolinas, LLC
Total Burned Cost (Fossil and Nuclear)
June 2008 - May 2009
Docket No. 2009-3-E

Month	Coal		#2 Oil		Gas		Nuclear		Total Burned Cost
	\$	%	\$	%	\$	%	\$	%	\$
Jun-08	127,725,318	68.41%	1,770,813	0.95%	41,752,209	22.36%	15,447,824	8.28%	186,696,164
Jul-08	132,301,626	89.14%	1,364,783	0.92%	(1,963,758)	-1.33%	16,725,499	11.27%	148,428,150
Aug-08	135,070,106	86.35%	1,205,238	0.77%	3,316,344	2.12%	16,827,072	10.76%	156,418,760
Sep-08	120,703,219	87.78%	1,783,838	1.30%	(173,088)	-0.13%	15,190,758	11.05%	137,504,727
Oct-08	106,005,882	87.87%	1,184,175	0.98%	109,681	0.09%	13,346,818	11.06%	120,646,556
Nov-08	119,862,369	88.88%	2,060,935	1.53%	216,012	0.16%	12,713,227	9.43%	134,852,543
Dec-08	108,039,476	85.13%	1,556,909	1.23%	219,880	0.17%	17,091,549	13.47%	126,907,814
Jan-09	133,466,256	86.81%	1,382,785	0.90%	440,084	0.29%	18,459,876	12.00%	153,749,001
Feb-09	90,685,465	82.90%	1,653,555	1.51%	408,217	0.38%	16,639,344	15.21%	109,386,581
Mar-09	93,631,984	82.59%	1,284,689	1.13%	480,933	0.43%	17,969,553	15.85%	113,367,159
Apr-09	70,471,371	78.80%	884,477	0.99%	105,395	0.12%	17,963,813	20.09%	89,425,056
May-09	80,553,466	83.42%	787,526	0.81%	170,321	0.18%	15,052,090	15.59%	96,563,403
Totals	1,318,516,538	83.77%	16,919,723	1.07%	45,082,230	2.87%	193,427,423	12.29%	1,573,945,914

<u>Month</u>	<u>Total Cost of Fuel Burned</u>	<u>Purchased and Interchange Power Fuel Cost</u>	<u>Fuel Cost Recovered from Intersystem Sales</u>	<u>Total Fuel Cost</u>
	\$	\$	\$	\$
Jun-08	186,696,164	43,238,884	(9,264,811)	220,670,237
Jul-08	148,428,150	25,747,884	(11,951,607)	162,224,427
Aug-08	156,418,760	14,467,591	(10,958,189)	159,928,162
Sep-08	137,504,727	10,770,267	(15,163,025)	133,111,969
Oct-08	120,646,556	17,175,027	(1,889,386)	135,932,197
Nov-08	134,852,543	25,780,640	(4,684,129)	155,949,054
Dec-08	126,907,814	9,380,811	(14,271,313)	122,017,312
Jan-09	153,749,001	5,391,774	(22,562,447)	136,578,328
Feb-09	109,386,581	8,793,402	(4,904,272)	113,275,711
Mar-09	113,367,159	4,196,122	(2,123,254)	115,440,027
Apr-09	89,425,056	7,657,079	(644,138)	96,437,997
May-09	96,563,403	10,846,669	(710,324)	106,699,748
Total	1,573,945,914	183,446,150	(99,126,895)	1,658,265,169

Duke Energy Carolinas, LLC
S.C. Retail Comparison of Fuel Revenues & Expenses
June 2008 - September 2009
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Fossil Fuel (\$)	
Nuclear Fuel (\$)	
Purchased & Interchange Power (\$)	
Sub-Total (\$)	
Less: Fuel Cost Recovered through Intersystem Sales (\$)	
Total Fuel Costs (\$)	
Total System kWh Sales Excluding Intersystem Sales \$/kWh Sales	
Less: Base Sales (\$/kWh)	
Fuel Adjustment Per kWh (\$/kWh)	
S.C. kWh Sales (000's)	
Over/(Under) Recovery (\$)	
Cumulative Over/(Under) Recovery - May 2008 (\$)	
Company Adjustments	
Cumulative Over/(Under) Recovery this Period (\$)	

Please Note:

In Audit Exhibit RAL-6, ORS reflects Over-Recovery amounts without parentheses and reflects (Under)-Recovery amounts with parentheses.

Duke Energy Carolinas, LLC
S.C. Retail Comparison of Fuel Revenues & Expenses
June 2008 - September 2009
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Audit Exhibit RAL-6
Page 2 of 3

Fossil Fuel (\$)
Nuclear Fuel (\$)
Purchased & Interchange Power (\$)
Sub-Total (\$)
Less: Fuel Cost Recovered through Intersystem Sales (\$)
Total Fuel Costs (\$)

Total System kWh Sales Excluding Intersystem Sales
\$/kWh Sales
Less: Base Sales (\$/kWh)
Fuel Adjustment Per kWh (\$/kWh)
S.C. kWh Sales (000's)
Over/(Under) Recovery (\$)
Cumulative Over/(Under) Recovery - 01/09 (p.1 of 3) (\$)
ORS Adjustments

Cumulative Over/(Under) Recovery this Period (\$)



Please Note:

In Audit Exhibit RAL-6, ORS reflects Over-Recovery amounts without parentheses and reflects (Under)-Recovery amounts with parentheses.

For the estimated months of June through September 2009, the monthly "Renewable Purchased Power" (reflected on McManeus Exhibit 5, line 3) amount of \$183,000 is reflected on ORS's Audit Exhibit RAL-6 in the "Purchased & Interchange Power" figures for those respective months.

Cumulative Over/(Under) Base Fuel Component (\$) (per Audit Exhibit RAL-6)	44,315,294	40,940,166
Cumulative Over/(Under) Environmental Component (\$) (per Audit Exhibit RAL-8)	3,514,786	4,082,821
Net Cumulative Base Fuel and Environmental Components (\$)	47,830,080	45,022,987
Over/(Under)- Recovery Balances		

Duke Energy Carolinas, LLC
Purchased Power Expense -- S.C. Portion
June 2008 - May 2009
Docket No. 2009-3-E

<u>Month</u>	<u>System Basis Total P.P. Expense</u>	<u>X</u>	<u>Monthly S.C. Allocation Factor</u>	<u>=</u>	<u>P.P. Exp.--S.C. Retail Jurisdictional</u>
	\$				\$
Jun-08	43,238,884		26.37%		11,402,094
Jul-08	25,747,884		26.25%		6,758,820
Aug-08	14,467,591		26.46%		3,828,125
Sep-08	10,770,267		26.64%		2,869,199
Oct-08	17,175,027		25.89%		4,446,614
Nov-08	25,780,640		26.22%		6,759,684
Dec-08	9,380,811		26.00%		2,439,011
Jan-09	5,391,774		24.27%		1,308,584
Feb-09	8,793,402		25.42%		2,235,283
Mar-09	4,196,122		24.70%		1,036,442
Apr-09	7,657,079		25.11%		1,922,693
May-09	10,846,669		25.27%		2,740,953
Total	<u>183,446,150</u>				<u>47,747,502</u>

**Duke Energy Carolinas, LLC
Total Environmental Costs
June 2008 - May 2009
Docket No. 2009-3-E**

	Actual							
	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>
<u>Environmental Costs Incurred</u>								
Emission Allowances (\$)								
Limestone (\$)	201,172	190,052	164,216	144,143	86,330	112,755	96,622	35,564
Ammonia (\$)	862,523	866,305	1,011,705	918,483	767,408	811,563	915,196	1,115,619
Dibasic Acid (\$)	1,559,292	911,298	638,050	1,493,032	735,618	704,136	587,489	546,580
Urea (\$)	156	0	0	0	0	0	0	0
Sub-Total (\$)	1,064,162	186,526	745,768	657,088	242,615	181,521	705,922	212,617
Less: Gain on Nox Sales (\$)	3,687,305	2,154,181	2,559,739	3,212,746	1,831,971	1,809,975	2,305,229	1,910,380
Less: Inter-Company Sales (\$)	0	2,889,500	883,500	259,324	(1,824)	128,152	(6,000)	(49,448)
Net Environmental Cost (\$)	100,937	350,506	257,499	171,626	27,495	62,486	361,552	499,607
S.C. Retail MWh Sales	3,586,368	(1,085,825)	1,418,740	2,781,796	1,806,300	1,619,337	1,949,677	1,460,221
Total System MWh Sales	1,897,043	2,028,039	2,035,741	1,990,377	1,584,631	1,592,476	1,769,078	1,694,883
S.C. Allocation Factor of Total Environmental Costs (%)	7,193,515	7,724,863	7,694,730	7,472,224	6,120,889	6,074,613	6,805,100	6,983,324
S.C. Share of Total Environmental Costs (\$)	26.37%	26.25%	26.46%	26.64%	25.89%	26.22%	26.00%	24.27%
Amount Billed to SC Customers (\$)	945,725	(285,029)	375,399	741,070	467,651	424,590	506,916	354,396
Over (Under) Recovery (\$)	1,039,583	1,142,814	1,136,915	1,098,414	245,200	244,964	291,608	286,324
Cummulative Over(Under) Recovery - May 2008 (\$)	93,858	1,427,843	761,516	357,344	(222,451)	(179,626)	(215,308)	(68,072)
Cummulative Over (Under) Recovery (\$)	(335,945)	0	0	0	0	0	0	0
	(242,087)	1,185,756	1,947,272	2,304,616	2,082,165	1,902,539	1,687,231	1,619,159

Duke Energy Carolinas, LLC
Details of Environmental Costs
June 2008 - September 2009
Docket No. 2009-3-E

	Actual					Estimated			
	Feb-09	Mar-09	Apr-09	May-09		Jun-09	Jul-09	Aug-09	Sep-09
<u>Environmental Costs Incurred</u>									
Emission Allowances (\$)									
Limestone (\$)	17,308	18,563	18,955	13,268		16,139	26,726	25,170	20,287
Ammonia (\$)	900,715	922,855	741,733	911,683		1,648,362	1,418,903	1,526,791	1,211,595
Dibasic Acid (\$)	269,914	422,147	330,244	614,294		624,604	667,162	686,498	594,158
Urea (\$)	0	0	0	0		0	0	0	0
Sub-Total (\$)	130,364	658,212	(2,612)	67,838		387,896	519,492	522,902	397,099
Less: Gain on Nox Sales (\$)	1,318,301	2,021,777	1,088,320	1,607,083		2,677,001	2,632,283	2,761,361	2,223,139
Less: Inter-Company Sales (\$)	1,096,813	4,222,931	3,553,500	597,250		1,904,357	1,904,357	1,904,357	1,904,357
Net Environmental Cost (\$)	113,046	34,454	11,789	10,524		8,854	23,888	16,591	6,271
S.C. Retail MWh Sales	108,442	(2,235,608)	(2,476,969)	999,309		763,790	704,038	840,413	312,511
Total System MWh Sales	1,741,562	1,557,118	1,434,985	1,424,373		1,800,428	1,915,141	2,037,537	1,967,114
S.C. Allocation Factor of Total Environmental Costs (%)	6,850,434	6,303,841	5,715,092	5,636,993		6,706,299	7,275,893	7,719,223	7,405,200
S.C. Share of Total Environmental Costs (\$)	25.42%	24.70%	25.11%	25.27%		26.85%	26.32%	26.40%	26.56%
Amount Billed to SC Customers (\$)	27,566	(552,195)	(621,967)	252,525		205,078	185,303	221,869	83,003
Over (Under) Recovery (\$)	287,283	257,216	229,152	227,905		289,295	316,345	335,202	322,446
Jan 2009 - (p. 1 of 2)	259,717	809,411	851,119	(24,620)		84,217	131,042	113,333	239,443
Cumulative Over (Under) Recovery (\$)	1,619,159	0	0	0		0	0	0	0
	1,878,876	2,688,287	3,539,406	3,514,786		3,599,003	3,730,045	3,843,378	4,082,821